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15 *Attorneys for Plaintiff*
16 *ELECTRIC SOLIDUS, INC. d/b/a SWAN BITCOIN*

17 **IN THE UNITED STATES DISTRICT COURT**
18 **FOR THE CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**

19 ELECTRIC SOLIDUS, INC. d/b/a
20 SWAN BITCOIN, a Delaware
corporation,

21 Plaintiff,

22 v.

23 PROTON MANAGEMENT LTD., a
British Virgin Islands corporation;
24 THOMAS PATRICK FURLONG; ILIOS
CORP., a California corporation;
25 MICHAEL ALEXANDER HOLMES;
26 RAFAEL DIAS MONTELEONE;
SANTHIRAN NAIDOO; ENRIQUE
ROMUALDEZ; and LUCAS
VASCONCELOS,

27 Defendants.
28

Case No. 2:24-cv-8280-MWC-E

**DECLARATION OF HARRIS M.
MUFSON IN SUPPORT OF GIBSON,
DUNN & CRUTCHER LLP'S
MOTION TO WITHDRAW AS
COUNSEL FOR PLAINTIFF
ELECTRIC SOLIDUS, INC. D/B/A
SWAN BITCOIN**

Judge: Hon. Michelle Williams Court

1 I, HARRIS M. MUFSON, declare and state as follows:

2 1. I am an attorney authorized to practice before this Court *pro hac vice*. I am
3 a partner at the law firm of Gibson, Dunn & Crutcher LLP (“Gibson Dunn”), and counsel
4 of record for Plaintiff Electric Solidus, Inc. d/b/a Swan Bitcoin (“Swan”) in the above-
5 captioned case. I have personal knowledge of all the facts set forth in this declaration
6 and, if called to testify, I could and would competently testify to them.

7 2. I submit this declaration in support of Gibson Dunn’s Motion to Withdraw
8 as Counsel for Swan.

9 3. Gibson Dunn and Swan have engaged in discussions over the past several
10 weeks regarding ending Gibson Dunn’s representation of Swan and Swan obtaining
11 substitute counsel to represent it in this action. On November 6, 2024, Gibson Dunn
12 received a letter from Wollmuth, Maher & Deutsch LLP (“Wollmuth”) stating that
13 Wollmuth represents Swan and threatening to assert claims against Gibson Dunn.

14 4. After receiving Wollmuth’s November 6 letter, counsel for Gibson Dunn
15 and Wollmuth engaged in a series of communications and discussions. I understand that
16 during one of those discussions on November 22, 2024, Swan’s counsel, David
17 Wollmuth, told my partner James Fogelman that Swan will “never” pay Gibson Dunn’s
18 legal fees. Attached as **Exhibit A** is a true and correct copy of an email from
19 Mr. Fogelman to Mr. Wollmuth documenting the statement Mr. Wollmuth made to
20 Mr. Fogelman.

21 5. By email dated November 19, 2024, Swan requested Gibson Dunn provide
22 an electronic copy of its entire case file.

23 6. On November 22, 2024, Swan initiated a lawsuit against Gibson Dunn in
24 the Superior Court of the State of California for the County of Los Angeles. The case is
25 captioned *Electronic Solidus, Inc. d/b/a Swan Bitcoin v. Gibson, Dunn & Crutcher LLP*,
26 Case No. 24STCV30895. In that matter, Swan alleges that Gibson Dunn has “betrayed”
27 Swan and asserts claims of breach of fiduciary duty and legal malpractice against Gibson
28

1 Dunn in connection with Gibson Dunn's representation of Swan in this matter. Attached
2 as **Exhibit B** hereto is a true and correct copy of Swan's complaint against Gibson Dunn.

3 7. On November 24, 2024, Gibson Dunn provided Swan with an electronic
4 copy of its case file as requested.

5 8. In light of the foregoing, I believe that there has been a complete breakdown
6 in the attorney-client relationship between Gibson Dunn and Swan. Therefore, I believe
7 there is good cause for Gibson Dunn to withdraw from its representation in this lawsuit.

8 9. On November 24, 2024, Gibson Dunn provided written notice to
9 Mr. Wollmuth of my Firm's intent to withdraw as counsel for Swan due to the
10 breakdown of the attorney-client relationship. Gibson Dunn also informed
11 Mr. Wollmuth of the consequences of Swan's inability to appear *pro se* in this action as
12 a corporation. This notice was provided in the email attached as Exhibit A. On
13 November 24, 2024, I also provided written notice to Swan's General Counsel of my
14 Firm's intent to withdraw as counsel for Swan due to the breakdown of the attorney-
15 client relationship. I also informed Swan's General Counsel of the consequences of
16 Swan's inability to appear *pro se* in this action as a corporation. Attached as **Exhibit C**
17 hereto is a true and correct copy of the email containing this notice.

18 10. There will be no delay in the litigation or prejudice if this Motion is
19 granted. Swan initiated this action less than three months ago on September 25, 2024.
20 See ECF No. 2. Defendants have not answered or otherwise responded to Swan's
21 Complaint in this action, and Defendants' responses are due on December 23, 2024.
22 ECF No. 68. The Court also has not issued a scheduling order or scheduled a trial date.
23 In addition, Swan already has litigation counsel, Wollmuth, who is familiar with this
24 matter, and Gibson Dunn has provided Swan with an electronic copy of its case file and
25 is prepared to assist in the transition of this matter to Swan's new counsel.

26 11. Swan is being served a copy of Gibson Dunn's Notice and Motion to
27 Withdraw, supporting declarations, and the Proposed Order granting the Motion to
28 Withdraw.

1 I declare under penalty of perjury that the foregoing is true and correct. Executed
2 on this 24th day of November in 2024, in New York, New York.

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